GLENDALE
International Corp.

Our Journey

1999 ANNUAL REPORT

CORPORATE PROFILE

Glendale International Corp.'s principal business is the manufacture and sale of recreational vehicles (RVs). The Corporation's 40% share of the built-in-Canada RV market makes it the largest producer of RVs in the country. RV operations – located in Strathroy, Ontario (Glendale RV) and Red Deer, Alberta (Travelaire Canada) – make a broad range of products, including travel trailers, motor homes, fifth wheels and park models. RV sales represented more than 80% of Glendale International's revenue from continuing operations in fiscal 1999.

The Company participates in the aerospace industry globally through its 90% interest in Fernau Avionics, based near London, England, and its 100% ownership of Edgelit of Toronto, Ontario. Fernau is a major supplier worldwide of ground-based navigational systems for air traffic control. Edgelit designs and manufactures illuminated cockpit instrumentation panels and beveled keyboards.

Glendale International owns Quality Plastics, a specialty molding and extrusion business. In addition, Glendale International's Precision division in Toronto, Ontario, which is a discontinued operation, is engaged in the production of complex printed circuit boards for the North American electronics market.

FINANCIAL HIGHLIGHTS

Year Ended November 30		*1999*		1998
Sales	$	*147,877,000*	$	143,455,000
Income from Continuing Operations	$	*6,169,000*	$	4,625,000
EPS from Continuing Operations	$	*0.50*	$	0.39
Loss from Discontinued Operations	$	*(3,243,000)*	$	(852,000)
Gain on Sale of Discontinued Operations	$	*30,105,000*	$	0
Net Income	$	*33,031,000*	$	3,773,000
Earnings Per Share	$	*2.69*	$	0.31

landmarks **p2**, chairman's letter **p4**, review of operations **p6**, auditors' report and management's report **p14**, financial section **p15**, five-year financial summary **p30**, corporate information **p32**

Our corporate journey is marked by challenges and opportunities – just like the roads taken by thousands in our market leading RVs. We look upon Glendale International Corp.'s products as vehicles for success – for our customers and shareholders alike.

GLENDALE International Corp.

Our Glendale recreational vehicle manufacturing facility in Ontario operated near capacity, following a late 1998 expansion to increase its revenue-generating potential by about $20,000,000 annually. During the year we adopted a new corporate name, Glendale International Corp., which recognizes RVs as our main business focus.

Denro Sold

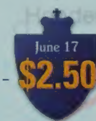
We closed the sale of Denro for total cash consideration of US$57,000,000. Based on the Corporation's 80% equity interest in Denro, Glendale International Corp. netted Cdn$30,105,000 on the transaction after taxes and related costs.

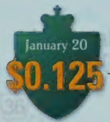
Edgelit Grows

Edgelit's size and production capacity nearly doubled through an expansion that facilitated both an increase in and diversification of its product lines. We expect to recoup the cost of the expansion within a couple of years.

The sale of Denro increased cash to about $57,000,000, after paying down $10,000,000 of long-term debt. As a result, a special dividend of $2.50 per share was paid on June 17, 1999 to shareholders of record on June 10, 1999.

Special Dividend Paid





Semi-annual Dividend Declared

The Board of Directors declared a regular semi-annual dividend, which represents about 50% of net income. An initial payment of $0.125 per share was payable on January 20, 2000 to shareholders of record on January 12, 2000.

Travelaire Expanded

A multiphase expansion and reconfiguration of our Travelaire RV plant in Red Deer, Alberta, began. The initial phase, completed during the first quarter of fiscal 2000, improves revenue-generating capacity by $8,000,000 annually based on capital expenditure of only $650,000.

Edgelit Doubles Capacity

Edgelit ended fiscal 1999 with a record backlog. The company plans to meet the growing demand for its products by doubling production capacity in fiscal 2000 – the second doubling of capacity in a two-year period.

RV EXPORT SALES *($Cdn in millions)*

RV Export Record Exceeded

We attained record RV exports to the U.S. for the third consecutive year, with a 33% increase to $20,000,000. Exports to the U.S. should rise a further 20% in fiscal 2000 to $24,000,000.

CHAIRMAN'S LETTER

Fiscal 1999 was a year of progress for Glendale International Corp. as a whole and for our recreational vehicles (RV) business in particular. As we told you last year, the Corporation is travelling a new road by focusing on RVs as its core business. Our Recreational Vehicles Division is the largest contributor by far to our profits and sales.

The centrality of RVs to our business was enhanced in March 1999 by the completion of the sale of Denro, Inc. to Litton Systems, Inc. for total cash consideration of US$57,000,000. We purchased 75% of Denro in 1990 for US$6,600,000 and later increased our ownership to 80%. Based on our equity interest, we netted Cdn$30,105,000 on the transaction after taxes and related costs. Through the Denro transaction, we maximized value for our shareholders.

With the increased emphasis on the RV business and the sale of Denro in 1999, the Company will now focus its electronics business on its two specialized aerospace divisions, Edgelit and Fernau. Accordingly, during 1999 our Precision division was designated as a discontinued operation. Meanwhile, we continue to allocate the capital and human resources necessary to improve Precision's performance and to maximize the value of its assets.

Among the highlights of fiscal 1999 were: the expansion of our Travelaire and Edgelit divisions; the payment of a Special Dividend; the planned resumption of a semi-annual dividend; and the change in the corporate name to Glendale International Corp. to better reflect the importance of RVs.

From a financial perspective, fiscal 1999 was a good year. Revenue from continuing operations was $147,877,000, compared to $143,455,000 in the previous fiscal year. Net income from continuing operations in fiscal 1999 was a record $6,169,000, or $0.50 per common share, a 33% increase from $4,625,000, or $0.39 per common share in fiscal 1998. After taking discontinued operations and the Denro sale into account, net income in fiscal 1999 was $33,031,000, or $2.69 per common share, compared to $3,773,000, or $0.31 per common share in fiscal 1998.

RV demand vigorous

Recreational vehicles represent about 82% of the Corporation's sales and more than 90% of its earnings. Demand for RVs is vigorous across North America and is expected to remain so for at least the next decade. Accordingly, we are committed to the growth of our RV business.

In view of the strategic significance of RVs, shareholders at the Annual Meeting in May 1999 approved a name change from Firan Corporation to Glendale International Corp. The new name is derived from our principal RV manufacturing operation, Glendale Recreational Vehicles.

Our RV Division produced another record year of sales and earnings in fiscal 1999. Sales rose approximately 3% to $121,275,000 and earnings were up about 12%, representing the third successive year of increases.

During the 1999 third quarter, we announced the first stage of a multiphase expansion of our Travelaire recreational vehicles manufacturing facility in Red Deer, Alberta. The work was finished in the first quarter of fiscal 2000, improving our annual revenue-generating capacity by $8,000,000 at a capital cost of about $650,000. The benefits include increased production, improved efficiency and a broadening of Travelaire's product line to permit greater emphasis on higher margin RVs.

Our recreational vehicles business is an exceptionally strong, high-margin operation with excellent growth prospects. Our aerospace businesses – Edgelit and

Our Recreational Vehicles Division is the largest contributor by far to our profits and sales.

Fernau – are synergistic companies with an overlapping customer base. We have been working for some time to maximize their potential, through expansion of product lines, cost reductions and productivity improvements. To date, these efforts have been most successful at Edgelit.

Edgelit performed very well in fiscal 1999. Sales rose by nearly 53% to $5,050,000 from $3,305,000 in the prior year and earnings also increased sharply. In the first quarter, we completed an expansion of the facility that nearly doubled capacity. We are entering fiscal 2000 with a record backlog and we expect to meet demand by again doubling our capacity during the current year.

Fernau did not live up to our expectations in fiscal 1999, posting earnings below the prior year's level on slightly lower sales. However, we are making changes in the operation to improve results, further increase quality and lower costs.

Balance sheet strengthened

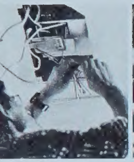
The Denro sale increased cash on our balance sheet to about $57,000,000, after paying down $10,000,000 of long-term debt. As a result, on May 26, 1999, the Board of Directors approved the payment of a special dividend of $2.50 per share, as well as the payment of a regular semi-annual dividend of about 50% of net income.

In October, the Board of Directors declared a semi-annual dividend for the first time in three years – $0.125 per share, payable on January 20, 2000 to shareholders of record on January 12, 2000. The resumption of regular dividend payments reflects our much improved balance sheet and management's expectation that we will further enhance our financial position. An indication of this better performance is the 24.9% return on average equity that we achieved in fiscal 1999.

I would like to thank all members of the Board, our employees, and especially our shareholders, for your confidence in Glendale International Corp. Your ongoing support is fundamental to the success of our journey.

D. Morgan Firestone

D. Morgan Firestone
Chairman of the Board
and Chief Executive Officer



RECREATIONAL VEHICLES

Our recreational vehicles (RV) business achieved record sales and operating earnings for the third consecutive year. Sales increased about 3% in fiscal 1999 while profit rose approximately 12%. Our operating profit margin remains strong at about 9% – among the best in the industry in North America.

The Corporation's core RV business currently accounts for approximately 82% of its sales and better than 90% of its earnings. The RV Division maintains about a 40% share of the built-in-Canada market and is well regarded for the reliability, quality and value of its brands, including Travelaire, Golden Falcon, Royal Classic, and Kustom Koach. We have a solid North American network of over 200 dealers.

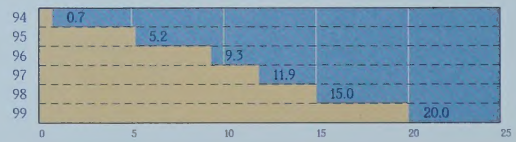
Our flagship Glendale RV manufacturing facility in Strathroy, Ontario celebrates its 50th anniversary during the 2000 model year. The Glendale plant was expanded in late 1998 and operated near capacity in fiscal 1999. Glendale introduced new and innovative floor plans for RVs in fiscal 2000. We continue to invest in leading edge computer-aided design technology to heighten the company's productivity and efficiency.

Across North America, demand is especially strong for larger and more costly RV models such as travel trailers and fifth wheels, which are among our principal products. In view of the popularity of sport utility vehicles (SUVs) and luxury trucks – with the capacity to pull bigger RVs – the auto industry plans to introduce larger Class 'C' chassis by mid-2000. The availability of these chassis will allow the RV Division to further enhance its higher end product lines.

In Red Deer, Alberta, a multiphase expansion and reconfiguration of our Travelaire plant began in fiscal 1999. The initial phase of the project was finished in the first quarter of fiscal 2000. It improves revenue-generating capacity by $8,000,000 annually, based on capital expenditure of only $650,000. Travelaire should be operating near capacity by year-end 2000.

Historically, Travelaire has manufactured the smaller RVs in our product line. The expansion enables the company to build larger and more complex RVs, which attract higher gross margins. For instance, Travelaire can now make fifth

RV EXPORT SALES *($Cdn in millions)*



Our road map reflects our exciting momentum in increasing RV exports.

model shown: Golden Falcon Travel Trailer

wheels with automated, wide-capacity slide-outs. In terms of smaller products, Travelaire has been producing lightweight travel trailers for some time.

Moreover, the expansion permits us to attain more vertical integration of our manufacturing process. It improved our ability to fabricate steel frames for travel trailers, as well as to make cabinetry and cushions. As a result, the more costly outsourcing of these functions will decline. We have also added a central warehouse, which improves inventory control and decreases manufacturing costs, while opening up floor space for more manufacturing.

Another benefit of the changes made is to increase the speed of RV inspection just prior to shipment. While our track record in quality control is excellent and warranty costs are low, accelerating the inspection process enhances the efficiency of the operation.

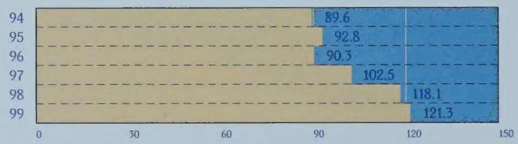
Travelaire's objectives in fiscal 2000 include doubling its Class 'C' motor homes sales. Last year we sold our first specialty units for use by oil companies as 'people movers' in western Canada. We anticipate that we will sell additional 'people movers' in fiscal 2000. Similarly, we expect to grow sales of our roughneck product, which is built to meet tough industrial and extreme environmental conditions.

The U.S. market potential remains huge. Our export program once again set record volumes, with a 33% increase to $20,000,000 in fiscal 1999. We anticipate a 20% rise in exports to $24,000,000 in fiscal 2000.

Our exports consist primarily of fifth wheels and travel trailers. In fiscal 2000, the combined U.S. wholesale value of shipments of these products will exceed US$2,000,000,000. Accordingly, even small increments in market share enable us to post strong growth. The total wholesale value of all RV shipments in the U.S. is expected to exceed US$7,000,000,000 in fiscal 2000.

We expanded our U.S. network to 49 dealers in fiscal 1999 from 40 in the prior year. Our accomplishments included establishing a relationship with Holiday Superstores, a large

RV REVENUE *($Cdn in millions)*



RVs are driving the Corporation along the promising new route that we identified last year.

model shown: Golden Falcon Fifth Wheel

and influential Florida retail operation. Florida is an area of focus since it is not only home to many U.S. RV consumers but also increases our exposure to Canadians who holiday there during the winter months.

As part of our U.S. marketing program in fiscal 2000, we will exhibit our products at major retail shows in Florida, Texas and Michigan – states in which consumer demand for RVs is particularly strong.

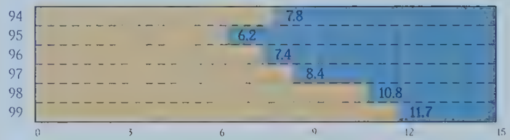
We believe there is ample evidence that our U.S. strategy is the right one. Recent market research, conducted by J. D. Power and Associates under the sponsorship of the U.S. Recreational Vehicle Industry Association (RVIA), indicated that retail customers rate Glendale products significantly higher than the average competitive product.

Economic and demographic factors illustrate the attractiveness of our business. The baby boomers are now in their mid-50s – traditionally a time of life when the appeal of RVs is high. The economy in both Canada and the U.S. remains strong. Even higher exchange rates, interest rates and fuel costs have not affected demand. The RV industry is conducting a high profile advertising and promotional program that complements our efforts to expand market awareness.

The RV Division's fiscal 1999 year-end backlog included $7,000,000 in orders from motor home rental companies for the second year in a row. These companies purchase RVs from us and lease them to their customers.

Dealer inventory remained tight across our markets at the fiscal 1999 year-end, which bodes well for future demand.

RV INCOME *($Cdn in millions)*



Growing numbers of RV dealers are proudly carrying our products and joining us on our journey.

model shown: Royal Classic Class 'C' Motor Home

EDGELIT (illuminated panels and keyboards)

Edgelit exceeded our expectations in 1999, with sales and profit growth both around the 50% range. Plant capacity nearly doubled through an expansion program and should double again in fiscal 2000. Edgelit's potential is very exciting as we enter the new year with a record backlog.

In fiscal 1999, the company focused both on broadening the customer base for its line of illuminated cockpit panels and building on its recent entry into the market for specialized keyboards.

During the year, our engineering department designed and tooled for 260 parts that had never before been made by Edgelit, representing about one new design each business day. We increased our customer base by 20% and reactivated a number of dormant accounts.

Edgelit is a relatively small but rapidly growing competitor, due in part to its utilization of new technology to supply 'blacksmith' products to customers with low quantity spares and urgent requirements.

Expansion of our engineering team this year enabled us to focus on broadening our line of specialized keyboards. This included an ongoing effort to develop an LED product. Synergies between our keyboard and panel product lines increase the size of Edgelit's market overall.

Customers included Astronautics Corporation, Bell Helicopter Textron, Eaton Corporation, Honeywell, and Universal Avionics Systems. Edgelit maintained its status as a Bell Helicopter Textron Qualified Supplier and is the only panel supplier in Canada with this designation.

FERNAU (navigational aids)

Fernau's sales were slightly lower in fiscal 1999, due partly to unfavourable exchange rate fluctuations. Profit fell below the prior year's level. We are implementing changes aimed at strengthening Fernau's performance. These include measures to increase quality, lower costs, and improve international marketing.

Fernau's product portfolio consists of Distance Measuring Equipment (DME), Direction Finding Equipment (DF), Tactical Air Navigation Equipment (TACAN), Doppler VHF Omni Range Beacons (DVOR), and Non Directional Beacons (NDB). At year-end 1999, more than 1,000 of Fernau's flagship DME products were installed worldwide.

Increases in air travel throughout the world, connected with the deferral of expected dates for implementation of satellite based navigational alternatives, have left many countries with conventional navigational aids that are at the end of their useful life. Safety considerations and the uneconomic cost of maintaining this old equipment are convincing many governments that they must replace these aging navigational aids. As one of the few remaining manufacturers of conventional navigational aids, Fernau is in a good position to capitalize on the expected growth in replacement sales.

While we pursue markets for our traditional products, we also have been working to enhance our product line. One avenue for achieving this goal is our relationship with Alenia, an Italian electronics manufacturer. In fiscal 1999, after several years of development, we shipped to Alenia our first production units of Mode-S secondary radar. Fernau performs engineering and development services for numerous other customers and projects as well.

During the year, Fernau produced equipment for shipment to such markets as Kyrgystan, Latvia, Uruguay, Turkey, Thailand, the United Arab Emirates, Spain, The Netherlands, Morocco, The Sudan, and France. Among the notable orders of fiscal 1999 was a shipment of DME and NDB to Kosovo for installation at and around Pristina Airport. This equipment will provide navigational signals vital to the rebuilding of the country.

PRECISION

Precision continued to encounter difficulties in fiscal 1999. Precision has been classified as a discontinued operation. Meanwhile, we continue to allocate the necessary capital and human resources to improve the performance of the division and to maximize the value of its assets.

As a result of Precision's emphasis on continuous quality improvement, it was named a Worldwide Certified Supplier by Marconi Aerospace. This designation has never before been granted to a printed circuit board manufacturer.

Precision broadened its account base in both the military and commercial markets in Canada and the United States. In fiscal 1999, exports represented 85% of sales. Customers included Rockwell, Collins, Marconi Aerospace, Honeywell Corporation, Lockheed Martin, Smiths Industries, and Raytheon Systems.

QUALITY PLASTICS

Quality Plastics, our smallest operation, remained profitable in fiscal 1999 and is a positive net cash generator. Quality Plastics is a custom injection molder and extruder that specializes in niche markets within the automotive, agricultural, appliance, chemical, medical, communications, electronics and food industries.

AUDITORS' REPORT

To the Shareholders of
Glendale International Corp.

We have audited the consolidated balance sheets of Glendale International Corp. as at November 30, 1999 and 1998 and the consolidated statements of operations, retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at November 30, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in Canada.

Chartered Accountants
Deloitte & Touche LLP
Toronto, Ontario
January 21, 2000

MANAGEMENT'S REPORT

The accompanying financial statements have been prepared by management in accordance with generally accepted accounting principles.

Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these statements and, based on careful judgements, have been properly reflected in the financial statements. The Corporation's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. The financial information throughout the text of this Annual Report is consistent with the information presented in the financial statements.

The Board of Directors has appointed an Audit Committee consisting of two outside directors. The Committee meets periodically to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the Company's annual consolidated financial statements and recommends their approval to the Board of Directors.

These financial statements have been audited by Deloitte & Touche, LLP, the external auditors, on behalf of the shareholders. Deloitte & Touche, LLP has full and free access to the Audit Committee.

D. Morgan Firestone

D. Morgan Firestone
Chairman and Chief Executive Officer

Murray L. Hannan
Vice President and Chief Financial Officer

November 30, 1999 and 1998 (in thousands of dollars)	*1999*	1998
Current Assets		
Cash and cash equivalents	*$ 21,908*	$ –
Accounts receivable	*23,085*	20,036
Income taxes recoverable	*644*	28
Inventories (Note 4)	*14,180*	9,328
Deposits and prepaid expenses	*368*	312
Due from shareholders	*718*	823
Other assets	*147*	147
Future income taxes	*–*	5,878
Assets of discontinued operations (Note 3)	*7,705*	57,061
	68,755	93,613
Future Income Taxes	*315*	–
Property, Plant and Equipment (Note 5)	*10,973*	10,586
Goodwill (Note 2)	*5,280*	5,407
	$ 85,323	$ 109,606
Current Liabilities		
Bank indebtedness (Note 6)	*$ 15,896*	$ 15,443
Accounts payable and accrued liabilities	*33,564*	18,158
Income taxes payable	*790*	998
Dividends payable	*1,533*	–
Current portion of long-term debt (Note 7)	*1,000*	11,000
Current portion of capital leases	*38*	26
Liabilities of discontinued operations (Note 3)	*3,533*	34,424
	56,354	80,049
Long-Term Debt (Note 7)	*4,350*	5,350
Capital Leases	*103*	72
Non-Controlling Interest	*(281)*	(224)
	60,526	85,247
Shareholders' Equity		
Share capital (Note 8)	*21,489*	20,735
Cumulative translation adjustment	*146*	1,292
Retained earnings	*3,162*	2,332
	24,797	24,359
	$ 85,323	$ 109,606

Approved By the Board

D. Morgan Firestone
Director

Edward A. Bayer
Director

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended November 30, 1999 and 1998 (in thousands of dollars except per share amounts)	*1999*	1998
Sales	*$ 147,877*	$ 143,455
Costs and Expenses		
Manufacturing, selling and administration	*135,258*	132,176
Depreciation and amortization	*1,701*	1,285
Research and development	*620*	515
	137,579	133,976
Operating Income	*10,298*	9,479
Other Income and (Expenses)		
Interest - long-term debt	*(463)*	(1,037)
- short-term debt	*(1,239)*	(1,385)
Interest income	*1,318*	–
	(384)	(2,422)
Income Before Income Taxes, Non-Controlling Interest and Discontinued Operations	*9,914*	7,057
Provision for Income Taxes (Note 9)	*3,714*	2,354
Income Before Non-Controlling Interest and Discontinued Operations	*6,200*	4,703
Non-Controlling Interest	*31*	78
Income from Continuing Operations	***6,169***	**4,625**
Net Income (Loss) from Discontinued Operations (Note 3)	*26,862*	(852)
Net Income	*$ 33,031*	$ 3,773
Basic Earnings Per Share From Continuing Operations	*$ 0.50*	$ 0.39
Basic and Fully Diluted Earnings per Share	*$ 2.69*	$ 0.31

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years Ended November 30, 1999 and 1998 (in thousands of dollars)	*1999*	1998
Retained Earnings (Deficit), Beginning of Year	*$ 2,332*	$ (1,441)
Net Income	*33,031*	3,773
	35,363	2,332
Dividends	*32,201*	–
Retained Earnings, End of Year	*$ 3,162*	$ 2,332

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended November 30, 1999 and 1998 (in thousands of dollars)	*1999*	1998
Continuing Operating Activities		
Income from continuing operations	*$ 6,169*	$ 4,625
Items not affecting cash		
Depreciation and amortization	*1,701*	1,285
Gain on sale of property, plant and equipment	*(142)*	(72)
Future income taxes	*50*	(619)
Unrealized foreign exchange adjustments	*(1,146)*	29
Non-controlling interest	*31*	78
Changes in non-cash working capital items of continuing operations (Note 13)	*(11,314)*	(1,909)
	(4,651)	3,417
Investing Activities of Continuing Operations (Note 14)	*(1,841)*	(5,172)
Financing Activities of Continuing Operations		
Repayment of long-term debt	*(11,000)*	(1,000)
Dividends paid	*(30,668)*	–
Issuance of shares (Note 8)	*754*	–
Due from shareholders	*105*	24
	(40,809)	(976)
Net Cash Flow from Continuing Operations	*(47,301)*	(2,731)
Net Cash Flow from Discontinued Operations	*68,756*	–
Net Cash Flow	***21,455***	**(2,731)**
Net Cash and Equivalents (Bank Indebtedness), Beginning of Year	*(15,443)*	(12,712)
Net Cash and Equivalents (Bank Indebtedness), End of Year	*$ 6,012*	$ (15,443)
Net cash and equivalents (Bank indebtedness) is comprised of:		
Cash and equivalents	*$ 21,908*	$ –
Bank indebtedness	*(15,896)*	(15,443)
	$ 6,012	$ (15,443)
Supplemental disclosure of cash flows		
Payments for interest	*$ 1,223*	$ 1,732
Payments for income taxes	*$ 3,518*	$ 1,463

Consolidated financial statements

The sale of Denro, Inc. was finalized on February 26, 1999 resulting in proceeds of $68,756,000 and a gain of approximately $30,105,000, subject to post-closing adjustments. Negotiations with Litton Systems, Inc. regarding the adjustments are ongoing. However, management maintains a strong position with regard to the claim, which may go to arbitration as provided for in the sale agreement. No material change to the financial statements is expected upon settlement.

The net operating results of Denro, as well as the gain on the sale, have been shown as a one-line item – net income (loss) from discontinued operations – on the consolidated statements of operations in 1999 and 1998.

On May 26, 1999, as a result of the sale of Denro and the ongoing profitability of continuing operations, the Corporation declared a special cash dividend of $2.50 per share.

With the increased emphasis on the RV business and the electronics business focus on the two specialized aerospace divisions, Edgelit and Fernau, the Corporation designated Precision as a discontinued operation. Management will continue to commit the capital and human resources necessary to improve Precision's performance and to maximize the value of its assets.

Results of Operations – 1999 compared to 1998

Sales from continuing operations of the Corporation increased by 3% to $147,877,000 in 1999 from $143,455,000 in 1998. The Recreational Vehicles Division increased sales to $121,275,000 in 1999 from $118,067,000 in 1998 and net income before tax rose by 12% to $12,185,000 from $10,924,000. Higher penetration of the U.S. market, a continuing strong economy and industry demographics all contributed to the improvement.

Sales of the Electronics Division were up 5% at $26,602,000 in 1999 from $25,388,000 in 1998. The increase was due entirely to a 53% improvement in Edgelit's sales as a result of the doubling of plant capacity and heightened marketing efforts. Fernau's sales declined 4% in 1999 from 1998 levels and its gross profit margin dropped 8% due to delays in orders from several large customers and differences in the product mix, with a higher number of lower margin contracts completed in 1999 than in 1998.

Manufacturing, selling and administration as a percentage of sales decreased to 91.5% in 1999 from 92.1% in 1998.

Interest on long-term debt decreased to $463,000 in 1999 from $1,037,000 in 1998 due to a special $10,000,000 repayment in bank term debt from the proceeds of the Denro sale, along with regular scheduled debt repayments of $1,000,000. Interest on short-term debt declined 10% during 1999. Lower interest rates due to a new banking arrangement and slightly lower average short-term borrowing during the year contributed to the decline.

The Corporation earned $1,318,000 in interest income from investment of the proceeds from the sale of Denro. The funds are invested in short-term liquid money market instruments.

Research and development reflects the work done on the development of new products at Fernau. Due to one project, expenditures increased 20% in 1999 over the 1998 level.

Change in cash resources –
1999 compared to 1998

The Corporation recorded significant changes in this area during 1999. Income from continuing operations increased to $6,169,000 in 1999 compared to $4,625,000 in 1998 and the Corporation received $68,756,000 as proceeds from the sale of Denro. After an $11,000,000 long-term debt repayment and payment of a special dividend of $2.50 per common share amounting to $30,668,000, the Corporation's cash improved to a net cash position in 1999 of $6,012,000 from a debt position in 1998 of $15,443,000.

Depreciation increased to $1,701,000 in 1999 from $1,285,000 the prior year mainly due to a full year's depreciation of plant expansions that were completed in late 1998 at Glendale and Edgelit.

Changes in non-cash working capital items to an $11,314,000 usage of cash in 1999 from $1,909,000 in 1998 was attributable to higher accounts receivable at Fernau and Edgelit because of an increase in sales during the final two months of the year and higher inventory at Glendale, based on decreased sales during the fourth quarter.

Investing activities decreased to $1,841,000 in 1999 from $5,172,000 in 1998 due to lower capital expenditures in 1999 and because the Corporation purchased an additional 5% of Denro in 1998.

Capital Resources –
1999 compared to 1998

Current assets decreased to $68,755,000 in 1999 from $93,613,000 in 1998 because of the sale of Denro. However, added to the 1999 current assets were cash and cash equivalents of $21,908,000 associated with the sale. Accounts receivable rose by approximately $3,000,000 due to strong sales in the last quarter of 1999 at Fernau and Edgelit. Inventories increased $4,852,000 in 1999 due to slower last quarter sales at Glendale and higher last quarter activity at Fernau. Assets of discontinued operations in 1999 pertain to Precision and in 1998 to Precision and Denro.

Current liabilities decreased to $56,354,000 in 1999 from $80,049,000 in 1998, due to the sale of Denro in 1999. Also, a special repayment of $10,000,000 of current long-term debt was made in 1999. Accounts payable and accrued liabilities increased to $33,564,000 in 1999 from $18,158,000 in 1998, primarily due to high accounts payable at Glendale RV and accruals associated with possible price adjustments on the sale of Denro.

The Corporation had almost $22,000,000 in cash and cash equivalents at November 30, 1999, in addition to a $20,000,000 line of credit with a major Canadian bank, of which just under $16,000,000 had been utilized at year-end. As a result of this strong liquidity position, the Corporation foresees no problem in financing its activities going forward.

Glendale International Corp's. markets and factors affecting future results

The recreational vehicles business is very competitive. Glendale International Corp. is the major supplier to the Canadian market and a small regional supplier to the U.S. market. A few much larger companies dominate the U.S. market. The value of the Canadian dollar compared to the U.S. dollar has allowed Glendale International Corp. to be more competitive in the U.S. market than would otherwise be possible. Sales are also affected by the economic cycle, interest rates, consumer sentiment and possibly oil prices. Demographics favour the RV business in the coming years.

Edgelit's market depends largely on the growth in aircraft and helicopter manufacturing, as well as the level of spending on retrofitting and upgrading of existing aircraft. The segment of the aerospace industry in which Edgelit participates has been growing, but remains quite competitive. Edgelit is principally a prime contractor in the commercial aircraft market.

Fernau Avionics is a major world supplier of ground based navigational aids for landing aircraft. This is a mature market and, although it is expected to exist for some years, Fernau is involved in engineering and development projects for satellite navigation and secondary radar equipment; products that in time could replace ground based technology. Shared funding and revenue generated from these projects allow Fernau to reduce its reliance on its own capital resources.

A portion of Fernau's revenues are derived from large government and commercial contracts that depend on government spending on new airports or upgrading systems at existing installations. These are often long-term fixed price contracts with multiple deliveries. The revenue and level of profitability recorded against the contracts is based on percentage of completion and milestones reached. These amounts are often determined based on costs to complete the remaining work. Estimates are regularly updated and revised if necessary. Profit reviews are conducted at regular intervals during each project to monitor cost performance, and losses are provided for as known.

General risks and uncertainties - foreign exchange

The Corporation has foreign exchange risk in two areas. About 14% of sales originating in Canada are in U.S. dollars, and certain raw material components required for the Canadian manufacturing operations are purchased in U.S. dollars, resulting in a net expenditure in U.S. dollars by the Corporation. Periodically, foreign exchange contracts are purchased to minimize the risk. The Corporation does not engage in a speculative hedging program. The operations of Fernau in the United Kingdom are carried out in Sterling GBP and currency fluctuations impact operating results.

Year 2000 Compliance

All internal systems at all locations have been upgraded or replaced and, after testing and running online, are now considered fully compliant. The Corporation does not have one 'mission critical' system and no problems have developed to March 1, 2000 either internally or through customers or vendors. The Corporation will continue to monitor the situation but sees little risk going forward.

This Annual Report contains certain forward-looking statements and information based on the beliefs of the Corporation's management as well as assumptions made by, and information currently available to, the Corporation's management. Such statements reflect the current views of the Corporation with respect to future events and are subject to certain risks, uncertainties, and assumptions. Actual results, events and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

1. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, and include the following significant accounting policies:

Basis of consolidation and statement presentation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. All significant inter-company accounts and transactions have been eliminated.

Use of significant accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventories

Finished goods and work-in-process inventories are valued at the lower of cost and net realizable value. Raw materials are valued at the lower of cost and replacement cost. Cost is determined substantially on the first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment are recorded at cost, net of any government grants received and investment tax credits earned. Depreciation is computed using the straight-line method over the expected useful lives of the respective assets at the following annual rates:

Buildings	-	3% - 7%
Machinery and equipment	-	10% - 33%

Earnings per common share

The basic earnings per share calculation is based on the weighted average number of common shares outstanding during the year. The fully diluted earnings per share calculation assumes that stock options outstanding during the year were converted to common shares at the beginning of that year.

Goodwill

The excess of the cost over the net assets of businesses acquired is being amortized over a period not exceeding 40 years. Management assesses the carrying value of goodwill on a quarterly basis for possible impairment. Management has determined that no permanent impairment in the carrying value of goodwill exists based on the undiscounted projected future cash flows of the related businesses acquired.

Revenue recognition

Revenue from the sale of manufactured products is recognized when the product is shipped to the customer. Revenue and income on long-term contracts is recognized on a percentage of completion basis. Losses are fully provided for when identified. Progress billings as provided in the contracts are applied against accumulated contract costs included in inventory on the balance sheet.

Translation of foreign currencies

Assets and liabilities of the Canadian operations denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Revenue and expenses are translated at the average rate for the year.

The Corporation's foreign operation is of a self-sustaining nature. Cumulative gains or losses arising from the translation of the assets and liabilities of this operation are recorded as a separate component of shareholders' equity.

Research and development

Research costs are charged to income as incurred. Development costs are charged against income in the year of expenditure unless the costs meet the criteria under generally accepted accounting principles for deferral. The Corporation has not deferred any development costs to date.

2. Business Acquisitions

The Corporation acquired an 85% interest in 1994, and an additional 5% interest in 1996, in Fernau Holdings Limited ("Fernau"), a private company in the United Kingdom. The purchase agreement provided for additional earn out payments based on the audited net income of Fernau for the years 1994 to 1997. The Corporation has accrued the final payment of $271,000 with respect to these years.

In May 1998, the Corporation purchased an additional 5% interest in Denro Inc. ("Denro"), increasing its ownership to 80%, for cash consideration of $3,084,000. The fair value of the net assets acquired was $1,160,000. The transaction was recorded using the purchase method of accounting.

3. Discontinued Operations

Graphico Precision ("Precision")

The Corporation has adopted a plan to exit the printed circuit board business. Consequently, the results of Precision for 1999 and 1998 have been presented as discontinued operations. The comparative financial statements have been restated to reflect the reclassification of Precision's results.

The following amounts have been aggregated on the balance sheets for November 30, 1999 and 1998:

(in thousands of dollars)	*1999*	1998
Current assets	*$ 3,400*	$ 3,537
Property, plant and equipment	*4,038*	3,864
Goodwill	*267*	286
Assets of discontinued operations	*7,705*	7,687
Current liabilities	*3,261*	2,845
Capital leases	*272*	770
Liabilities of discontinued operations	*$ 3,533*	$ 3,615

Results of operations for Precision were as follows:

(in thousands of dollars)	*1999*	1998
Revenues	*$ 9,316*	$ 11,686
Loss from operations:		
Loss from operations, net of taxes	*(1,000)*	17
Estimated loss on sale, net of taxes	*(1,000)*	–
Income (loss) from discontinued operations	*$ (2,000)*	$ 17

Denro, Inc. (Denro)

On November 25, 1998, the Corporation entered into agreements to sell the shares of its subsidiary Denro. Consequently, the results of Denro for 1999 and 1998 have been presented as discontinued operations. The sale was finalized on February 26, 1999. Net proceeds from the sale amounted to approximately $68,800,000, resulting in a gain, net of taxes, of approximately $30,105,000.

The Corporation is currently in negotiations with the purchaser of Denro to settle disputes related to purchase price adjustments. The agreements provide for the appointment of an arbitrator to resolve purchase price disputes. Management has accrued an amount that is based on its best estimate of the expected payment due to the purchaser upon the conclusion of the negotiations or arbitration procedures to resolve the purchase price disputes.

The following amounts have been aggregated, with respect to Denro, on the balance sheet for November 30, 1998:

(in thousands of dollars)	
Current assets	$ 43,892
Property, plant and equipment	2,499
Goodwill	2,983
Assets of discontinued operations	49,374
Current liabilities	9,351
Long-term liabilities	15,157
Cumulative translation adjustment	4,839
Non-controlling interest	1,462
Liabilities of discontinued operations	$ 30,809

Results of operations of Denro are as follows:

(in thousands of dollars)	*1999*	1998
Revenues	*$ 10,678*	$ 51,051
Loss from operations:		
Loss from operations before taxes	*(1,243)*	(1,886)
Recovery of income taxes	*–*	(1,017)
Gain on sale of Denro, net of income taxes	*30,105*	–
Income (loss) from discontinued operations	*$ 28,862*	$ (869)

4. Inventories

(in thousands of dollars)	*1999*	1998
Finished goods and work-in-process	*$ 6,571*	$ 2,325
Raw materials	*7,609*	7,003
Total	*$ 14,180*	$ 9,328

5. Property, Plant and Equipment

(in thousands of dollars)	1999	1998
Cost		
Land	$ 3,091	$ 3,091
Buildings	7,682	7,123
Machinery and equipment	13,318	12,979
Equipment under capital leases	102	–
	24,193	23,193
Accumulated depreciation		
Buildings	3,242	3,007
Machinery and equipment	9,978	9,600
Equipment under capital leases	–	–
	13,220	12,607
	$ 10,973	$ 10,586

Depreciation provided in 1999 totalled $1,469,000 (1998 - $1,036,000).

6. Bank Indebtedness

(a) Bank indebtedness of $8,299,000 to a Canadian chartered bank bears interest at prime and is secured by a general security agreement, a first fixed and floating charge debenture of $25,000,000 on all of the Canadian assets of the Corporation and guarantee and postponement of claim by Fernau Avionics Limited, a U.K. subsidiary.

(b) Bank indebtedness of $7,597,000 (£3,226,000) to a U.K. bank bears interest at the U.K. base rate plus 1.5% and is secured by substantially all of the assets of Fernau Avionics Limited, a U.K. subsidiary and a £3,650,000 irrevocable letter of credit from a Canadian chartered bank.

7. Long-Term Debt

Secured by corporate assets as noted:

(in thousands of dollars)	1999	1998
(i) Term bank loan, interest at prime plus 1/4%, repayable at $250,000 per quarter and secured as described in Note 6(a).	$ 4,550	$ 7,300
(ii) Term bank loan, interest at prime plus 1.375% and secured as described in Note 6(a).	–	3,500
(iii) Demand installment loan, interest at prime plus 1.375%, repayable at $250,000 per quarter.	–	4,750
(iv) Demand debentures payable to shareholders, interest at 9% per annum with no fixed maturity date, secured by a specific charge on real property (not to be repaid until after November 30, 2002).	800	800
	5,350	16,350
Less amount due within one year	1,000	11,000
	$ 4,350	$ 5,350

The annual amounts of principal payments required to meet long-term debt obligations are as follows:

(in thousands of dollars)		
2000	$	1,000
2001		1,000
2002		1,000
2003		1,000
2004		550
Thereafter		800
	$	5,350

8. Share Capital

(in thousands of dollars)	1999	1998
Authorized		
170,600 preference shares issuable in series, non-voting, non-cumulative, redeemable and retractable at $25 each		
20,000,000 common shares		
Issued		
12,267,017 (1998 - 11,987,017) common shares	*$ 21,489*	$ 20,735

Pursuant to the 1996 Stock Option Plan, the Board of Directors reserved a maximum of 300,000 shares. The option exercise price was established by the market price at the date of grant. Options granted to-date, which total 280,000, were exercised during 1999.

9. Income Taxes

The provision for income taxes has been calculated as follows:

(in thousands of dollars)	1999	1998
Provision for income taxes (at statutory rates)	*$ 4,421*	$ 3,216
Increase (decrease) in income taxes resulting from:		
Manufacturing and processing profits deduction	*(840)*	(498)
Non-deductibility of permanent differences	*187*	141
Benefit of tax losses	*(225)*	(340)
Other	*171*	(165)
Provision for income taxes on continuing operations	*$ 3,714*	$ 2,354

10. Segmented Information

The Corporation operates in two industry segments and two geographical locations. Recreational vehicles are manufactured in Canada. The Electronics Division includes the Canadian production of electronic components and plastic products and the United Kingdom production of electronic equipment.

Relevant information regarding the Corporation's activities in each segment is as follows:

(in thousands of dollars)

	Operating Segments			
Industry	*Recreational Vehicles*	*Electronics*	*Corporate Office*	*Total*
1999				
Sales	$ 121,275	$ 26,602	$ –	$ 147,877
Costs and expenses	109,580	24,575	3,424	137,579
Operating income (loss)	11,695	2,027	(3,424)	10,298
Net interest expense	490	(708)	(166)	(384)
Income taxes	–	–	(3,714)	(3,714)
Non-controlling interest	–	(31)	–	(31)
Income (loss) from continuing operations	**12,185**	**1,288**	**(7,304)**	**6,169**
Net Income from discontinued operations	–	26,862	–	26,862
Net income (loss)	12,185	28,150	(7,304)	33,031
Identifiable assets	24,431	19,702	35,910	80,043
Goodwill	–	5,280	–	5,280
Total assets	24,431	24,982	35,910	85,323
Capital expenditures	795	925	133	1,853
Depreciation and amortization	351	1,157	193	1,701

(in thousands of dollars)	*Operating Segments*			
Industry	*Recreational Vehicles*	*Electronics*	*Corporate Office*	*Total*
1998				
Sales	$ 118,067	$ 25,388	$ –	$ 143,455
Costs and expenses	107,297	23,137	3,542	133,976
Operating income (loss)	10,770	2,251	(3,542)	9,479
Net interest expense	154	(882)	(1,694)	(2,422)
Income taxes	–	–	(2,354)	(2,354)
Non-controlling interest	–	(78)	–	(78)
Income (loss) from continuing operations	10,924	1,291	(7,590)	4,625
Net loss from discontinued operations	–	(852)	–	(852)
Net income (loss)	10,924	439	(7,590)	3,773
Identifiable assets	20,728	16,268	67,203	104,199
Goodwill	–	5,407	–	5,407
Total assets	20,728	21,675	67,203	109,606
Capital expenditures	1,034	1,200	48	2,282
Depreciation and amortization	237	840	208	1,285

Geographic Location	*Canada*	*United Kingdom*	*Total*
1999			
Sales	*$ 129,394*	*$ 18,483*	*$ 147,877*
Operating income	*9,300*	*998*	*10,298*
Identifiable assets	*67,395*	*12,648*	*80,043*
1998			
Sales	$ 124,207	$ 19,248	$ 143,455
Operating income	7,812	1,667	9,479
Identifiable assets	93,460	10,739	104,199

11. Pension Plans

A defined benefit pension plan is maintained for all unionized employees at a division of the Corporation. The most recent actuarial valuation indicates that as of December 31, 1998, the plan had a surplus of $269,000. The market value of the pension fund assets was $2,300,000 (1998 - $2,037,000) as at November 30, 1999.

12. Contingent Liability

Customary practice for companies in the recreational vehicle industry is to enter into repurchase agreements with financing institutions to provide financing to their independent dealers. Generally, the agreements provide for repurchase of products from the financing institution in the event of dealers' default. Losses under these agreements have been insignificant in past years, and the Corporation's exposure to such losses is limited by the resale value of the products required to be repurchased. The Corporation is also involved in several legal disputes regarding warranty claims and sundry claims. Management expects that losses incurred as a result of the repurchase agreements or claims, if any, would not be significant, although estimates cannot be made at this time.

13. Consolidated Schedule of Changes in Non-Cash Working Capital

(in thousands of dollars)	*1999*	1998
Accounts receivable	*$ (3,049)*	$ (6,800)
Inventories	*(4,852)*	2,060
Deposits and prepaid expenses	*(56)*	(83)
Accounts payable and accrued liabilities	*(2,533)*	1,916
Income taxes	*(824)*	998
	$ (11,314)	$ (1,909)

14. Consolidated Schedule of Investing Activities

(in thousands of dollars)	*1999*	1998
Net assets of subsidiary acquired (Note 2)	*$ (193)*	$ (2,965)
Purchase of property, plant, and equipment	*(1,853)*	(2,282)
Proceeds on sale of property, plant and equipment	*205*	75
	$ (1,841)	$ (5,172)

15. Financial Instruments

Foreign exchange risk

Foreign exchange risk is the risk that changes in exchange rates will affect the Corporation's operating results. The Corporation has a foreign exchange risk with respect to expenditures (net) in British pounds and in United States dollars. The Corporation periodically enters into foreign exchange contracts to minimize this risk. Operations of the foreign subsidiary in the United Kingdom are carried out in its respective currency and currency fluctuations will impact the operating results.

Credit risk

Credit risk arises due to the concentration of accounts receivable in one geographic area or with certain customers. This risk is minimized by the pre-shipment approval of financing in the recreational vehicles business. In the electronics business, most customers are government agencies or large multinational corporations.

Interest rate risk

Interest rate risk is the risk that movement in interest rates will affect the Corporation's operations. The Corporation is exposed to fluctuations in interest rates since most debt is at floating rates and generally related to the prime rate in the respective country.

Fair value of financial instruments

Current assets and current liabilities are valued at their carrying amounts on the balance sheet due to their short-term maturity.

The estimated market value of long-term debt approximates the carrying amounts, since the interest rates thereon are floating and are tied to prime rates in their respective countries.

16. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

17. Comparative Figures

Certain of the prior year's balances have been reclassified to conform to the current year's presentation.

FIVE-YEAR HISTORICAL FINANCIAL SUMMARY

Operating Results *(in thousands of dollars)*	*1999**	1998*	1997*	1996	1995
Sales					
Electronics	*$ 26,602*	$ 25,388	$ 32,904	$ 86,751	$ 77,523
Recreational Vehicles	*121,275*	118,067	102,517	90,299	92,811
Total Sales	*147,877*	143,455	135,421	177,050	170,334
Operating Income					
Electronics	*2,027*	2,251	(4,825)	3,871	9,632
Recreational Vehicles	*11,695*	10,770	8,391	7,331	(6,087)
Net Income	*33,031*	3,773	(6,416)	(3,996)	571
Financial Condition *(in thousands of dollars)* **& Ratios**					
Working Capital	*12,401*	13,564	14,379	27,617	33,096
Current Ratio	*1.2*	1.2	1.2	1.7	1.7
Total Assets	*85,323*	109,606	100,895	91,224	103,306
Net Fixed Assets	*10,973*	10,586	12,973	13,611	15,487
Long-term Debt (including Current Portion)	*5,350*	16,350	17,350	17,943	21,256
Shareholders' Equity	*24,797*	24,359	20,557	28,537	32,815
Return on Shareholders' Equity	*24.9%*	15.5%	(31.2%)	(14.0%)	1.7%
Per Common Share Data ($)					
Net Income	*2.69*	0.31	(0.54)	(0.33)	0.05
Cash Dividends	*2.50*	0.00	0.00	0.02	0.04
Book Value	*2.02*	2.03	1.71	2.38	2.74

**Denro excluded from Sales and Operating Income in 1999, 1998 and 1997. Precision excluded from Sales and Operating Income in 1999 and 1998. Working Capital and Current Ratio calculations are affected by the inclusion of discontinued assets and liabilities of Denro and Precision.*

Incorporation

Glendale International Corp. was continued under the laws of the Province of Ontario by Certificate of Amalgamation dated December 1, 1993.

Capital Stock

The Company is authorized to issue 20,000,000 common shares without par value. At November 30, 1999 there were 12,267,017 shares issued and outstanding.

Stock Exchange

The common shares of the Company are listed on The Toronto Stock Exchange. The stock symbol is GIN.

Dividends

In 1999, the Company reinstituted a policy of paying a cash dividend to common shareholders. Dividends are to be paid at the semi-annual rate of about 50% of net income. The first payment was $0.125 per common share.

Trading

The following table sets out the high, low and closing prices, and the volumes of shares traded on The Toronto Stock Exchange for the 12 months ending December 31.

Year	*High*	*Low*	*Close*	*Volume*
1995	$4.00	$3.00	$3.40	1,402,100
1996	$3.40	$2.20	$2.80	2,283,838
1997	$4.95	$2.85	$3.95	2,017,416
1998	$5.60	$3.00	$5.20	1,678,022
1999	*$7.50*	*$3.00*	*$3.05*	*3,413,952*

Major Shareholder

As of November 30, 1999, D. M. Firestone, Chairman and Chief Executive Officer, held or controlled approximately 46.2% of the issued and outstanding common shares.

Annual and Quarterly Reports

Additional copies of the annual and quarterly reports may be obtained by contacting Investor Relations, Glendale International Corp., 353 Iroquois Shore Road, Oakville, Ontario, Canada L6H 1M3. Telephone (905) 844-2870 or visit us at www.glendaleint.com.

1999 Annual Meeting

The 1999 Annual Meeting of Shareholders will be held on Wednesday, May 24, 2000 at 4:30 p.m. at the Metro Toronto Convention Centre, Toronto, Ontario.

CORPORATE INFORMATION

Board of Directors:

D.Morgan Firestone
Chairman of the Board and Chief Executive Officer
Glendale International Corp.

Edward A. Bayer
President
Admiral Sanitation Inc.

Jacob B. Brown, Jr.
Retired Executive

Steven W. Chepa
President and Chief Executive Officer
Cheppa Corporation

Dr. Nathan B. Epstein M.D., F.R.C.P.
Physician in Chief
Parkwood Hospital

Murray L. Hannan
Vice President and Chief Financial Officer
Glendale International Corp.

Bernard F. Isautier
President and Chief Executive Officer
Hurricane Hydrocarbons

Craig A.Nalen
Chairman
U.S. Business Centers, Inc.

Frank Ricciuti
Senior Vice President
Glendale International Corp.

Officers:

D. Morgan Firestone
Chairman of the Board and Chief Executive Officer

Frank Ricciuti
Senior Vice President
Corporate Development

Murray L. Hannan
Vice President and Chief Financial Officer

Philip L. Szabo
Vice President Finance

Registrar and Transfer Agent
Montreal Trust
Toronto, Ontario

Head Office
Glendale International Corp.
353 Iroquois Shore Road
Oakville, Ontario
Canada L6H 1M3
Phone (905) 844-2870
Fax: (905) 844-2907
www.glendaleint.com

Auditors
Deloitte & Touche LLP
Toronto, Ontario

Stock Exchange
Toronto Stock Exchange
(Symbol: GIN)

Glendale International Corp.
353 Iroquois Shore Road
Oakville, Ontario, Canada
L6H 1M3